

Decrease in the percentage of poverty

†*135. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the growth rate of Gross Domestic Product has remained 6 per cent in the country during 1993-94 to 2004-05 whereas abatement in the poverty has remained only 0.74 per cent;

(b) if so, the facts in this regard;

(c) whether it is a fact that despite innovative measures taken by Government for economic reforms there seems no concordance between the rate of annual development and annual rate of poverty alleviation; and

(d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) and (b) The growth rate of Gross Domestic Product at market prices (at constant 1993-94 prices) was 6.07% between 1993-94 and 2004-05. On the basis of provisional consumer expenditure data of 61st Round of National Sample Survey Organisation the poverty ratio at the all-India level in 2004-05, as reported in the draft Approach Paper to the Eleventh Five Year Plan, is estimated at 27.8% using uniform recall period (URP, in which the consumer expenditure data for all the items are collected from a 30 day recall period). This is comparable with the poverty estimate of 1993-94, which was 36%. The reduction in poverty ratio between 1993-94 and 2004-05 works out to 0.74%.

(c) and (d) The relationship between annual development (as measured by the rate of growth of the economy) and rate of poverty alleviation are determined by a complex set of factors. In addition to the rate of income growth (measured by the rate of growth of Gross Domestic Product), its distribution across sectors and regions, and between occupation and social class, as well as the rate of growth of population also need to be taken into account to explain the change in the incidence of poverty in the country.

†Original notice of the question was received in Hindi.